United Nations A/C.5/71/SR.3

General Assembly
Seventy-first session

Official Records

Distr.: General
19 October 2016

Original: English

Fifth Committee

Summary record of the 3rd meeting
Held at Headquarters, New York, on Thursday, 5 October 2016, at 10 a.m.

Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 136: Improving the financial situation of the United Nations

Agenda item 134: Programme budget for the biennium 2016-2017

United Nations Office for Partnerships

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org).

16-17258 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 136: Improving the financial situation of the United Nations

1. **Ms. Bartsiotas** (Controller), accompanying her statement* with a digital slide presentation, said that she would focus on four main financial indicators: assessments issued, unpaid assessed contributions, available cash resources and outstanding payments to Member States in respect of four budget categories: the regular budget, peacekeeping, the international tribunals, and the capital master plan. Overall, those financial indicators were sound, with the exception of the regular budget, where cash was exhausted and reserves were nearly exhausted. Severe cash problems would be experienced in the final months of 2016 unless sufficient contributions were received. The final outcome would largely depend on incoming contributions in the months ahead.

2. Cash balances were positive for peacekeeping operations and the tribunals. The Secretariat was making every effort to process payments expeditiously for troop- and police-contributing countries and contingent-owned equipment, and as a result projections reflected a decrease in the year-end level of outstanding payments to Member States.

3. Both assessments and payments received had been lower in 2016 than in 2015, by $222 million and $360 million respectively. On the 30 September 2016 cut-off date, unpaid assessments had amounted to $1,189 million, $136 million higher than in 2015. New rates of assessment had taken effect on 1 January 2016. By 30 September 2016, 126 Member States had paid their regular budget assessments in full, two fewer than at 2 October 2015 and 16 fewer than at 31 December 2015; one more Member State had paid since the cut-off date. She urged the remaining Member States to pay their assessed contributions in full as soon as possible. Outstanding contributions were concentrated among a few Member States, whose actions in the months ahead would largely determine the final financial picture for 2016.

4. Cash resources for the regular budget comprised the General Fund, into which assessed contributions were paid, the Working Capital Fund, which had been approved at a level of $150 million by the General Assembly, and the Special Account, at a level of $201 million as of 30 September 2016. The increasing regular budget cash shortfalls of $31 million, $81 million and $217 million that had been reported at the end of 2013, 2014 and 2015, respectively, as well as the shortfall of $344 million as of 30 September 2016, had been covered by the Working Capital Fund and the Special Account. Including the reserves, a total of $7 million in cash had been available as at 30 September 2016.

5. Increasing cash shortfalls had been experienced since July 2016, and more severe problems would arise in November and December unless sufficient contributions were received. The Secretariat would continue to monitor the cash position closely and would keep the General Assembly informed. The final cash position at the end of 2016 would depend largely on payments from Member States. Given that the level of reserves was sufficient to cover only 6 weeks of regular budget operations, its adequacy should be reviewed in the light of the pattern of payments by Member States and the level of commitment authority. Notwithstanding the liquidity problems affecting the regular budget, the Board of Auditors had judged the financial health of the Organization to be sound, as its assets were sufficient to meet its short- and long-term liabilities.

6. Owing to the changing demand for peacekeeping activities, it was more difficult to forecast financial requirements for peacekeeping than it was for the regular budget, under which expenditure was more predictable. In addition, peacekeeping operations had a different financial period, from 1 July to 30 June rather than the calendar year. Moreover, separate assessments were issued for each operation, and, since assessments could only be issued for the mandate period authorized by the Security Council for each mission, they were issued for different periods throughout the year. All those factors complicated payments by Member States and comparison between peacekeeping operations and the regular budget.

7. As at 30 September 2016, the total amount outstanding for peacekeeping operations had been $2.3 billion. A total of $10.3 billion had been assessed for peacekeeping operations in 2016. Contributions

* Subsequently circulated as document A/71/440.

received so far in 2016 amounted to approximately $8.9 billion.

8. It was difficult for Member States to keep fully current with peacekeeping assessments owing to the unpredictable amounts and timing of such assessments throughout the year and the differences in the financial year from mission to mission. She expressed her gratitude to the 25 Member States that had paid their peacekeeping assessments in full. As at 30 September 2016, approximately $5 billion had been available for peacekeeping, with active missions accounting for $4.7 billion and closed missions and the Peacekeeping Reserve Fund accounting for the remainder ($198 million and $139 million, respectively).

9. The Secretariat continued to make every effort to minimize the level of outstanding payments to Member States that provided troops and equipment. While some $824 million had been outstanding at the end of 2015, that amount was projected to decrease to $713 million by the end of 2016. As at 30 September 2016, $126 million had been owed to troop- and police-contributing countries, and $376 million for contingent-owned equipment claims for active missions and $86 million for closed missions. The total outstanding amount of $588 million represented a significant reduction from recent years.

10. The Secretary-General was committed to meeting obligations to Member States providing troops and equipment as expeditiously as possible. The Secretariat would monitor the peacekeeping cash flow situation constantly with a view to maximizing payments, but depended on Member States' meeting their financial obligations and on the expeditious finalization of memorandums of understanding with contributors of troops and contingent-owned equipment.

11. The financial position of the two international tribunals and the International Residual Mechanism for Criminal Tribunals remained generally sound. As of 30 September 2016, the unpaid assessments had totalled $55 million, lower by $14 million than in 2015. She expressed her appreciation to the 101 Member States — seven more than in 2015, with one more Member State having paid since the cut-off date — that had paid their assessed contributions in full and urged others to follow their example. The cash position was currently positive, and was expected to remain solid through year-end, although the final outcome would depend on Member States' continuing to honour their financial obligations over the remaining months of 2016.

12. A total of $1.87 billion had been assessed under the special account for the capital master plan. As at 30 September 2016, the bulk of the assessed contributions had been paid, with only $49,716 still outstanding. At the time of financing of the plan, the related costs had been apportioned among 192 Member States, of which four currently owed an outstanding balance.

13. She paid a tribute to the 25 Member States that had paid all assessments in full as at 30 September 2016. Given the limited reserves available, she urged Member States to meet their financial obligations in full and on time.

Agenda item 134: Programme budget for the biennium 2016-2017

United Nations Office for Partnerships (A/71/159)

14. **Ms. de la Roche** (Officer-in-Charge, United Nations Office for Partnerships), introducing the report of the Secretary-General on the United Nations Office for Partnerships (A/71/159) submitted pursuant to General Assembly decision 52/475, said that Office comprised the United Nations Fund for International Partnerships (UNFIP), the United Nations Democracy Fund and the partnership advisory services and outreach programme. UNFIP served as the interface between the United Nations Foundation and the United Nations system. The partnership and advisory services programme provided advice to potential partners regarding opportunities for collaboration and partnered with United Nations programmes and agencies, Member States, the private sector and non-governmental organizations (NGOs) to convene high-impact events. Under the Revised and Restated Relationship Agreement between the United Nations and the United Nations Foundation, signed in October 2014, the partnership had been renewed for 10 years. The two bodies had undertaken to consult closely and coordinate their activities, and the Joint Coordinating Committee had been established to enhance communication.

15. At the end of 2015, the cumulative allocations provided by the Foundation through UNFIP to projects implemented by the United Nations system had

reached $1.4 billion. The Foundation had supported global health initiatives, in particular polio, measles, rubella and malaria campaigns; women's and girls' empowerment; and sustainable energy and climate change initiatives. A total of 592 projects had been implemented by 43 United Nations entities in 124 countries.

16. The United Nations Democracy Fund had begun funding its ninth round of projects in 2015. A total of 51 projects had been funded at a cost of just under $9 million. The vast majority of the funds had gone to local civil society organizations in countries in both the transition and the consolidation phases of democratization. The Fund had launched its tenth round of projects in November 2015 and had received 2,664 applications by the deadline of 31 December 2015. By that date, the Fund had supported almost 600 projects in over 130 countries since its inception.

17. **The Chair** suggested that the Committee should decide to recommend to the General Assembly that the latter should take note of the report of the Secretary-General on the United Nations Office for Partnerships (A/71/159).

18. *It was so decided.*

The meeting rose at 10.35 a.m.

United Nations A/C.5/71/SR.4

General Assembly
Seventy-first session

Official Records

Distr.: General
20 October 2016

Original: English

Fifth Committee

Summary record of the 4th meeting
Held at Headquarters, New York, on Tuesday, 11 October 2016, at 10 a.m.

Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 145: Administration of justice at the United Nations

Agenda item 139: Human resources management

Implementation of the new common system compensation package in the United Nations Secretariat

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org/).

16-17601 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 145: Administration of justice at the United Nations (A/71/62/Rev.1, A/71/117, A/71/117/Corr.1, A/71/117/Add.1, A/71/157, A/71/158, A/71/163, A/71/164 and A/71/436)

1. **Ms. Taylor** (Executive Director, Office of Administration of Justice), introducing the report of the Secretary-General on the findings and recommendations of the Interim Independent Assessment Panel on the system of administration of justice at the United Nations, and revised estimates relating to the programme budget for the biennium 2016-2017 (A/71/163), said that the report had been submitted pursuant to General Assembly resolution 69/203, wherein the Assembly had decided that an interim independent assessment of all aspects of the system of administration of justice, including an analysis whether the aims and objectives of the system set out in General Assembly resolution 61/261 were being achieved in an efficient and cost-effective manner, should be conducted, with the goal of improving the current system. Prepared in consultation with stakeholders, including staff, the report contained the Secretary-General's comments and recommendations relating to the report of the Interim Independent Assessment Panel (A/71/62/Rev.1), together with estimates of the resources required to implement his recommendations for enhancement of the system. Overall, the Secretary-General shared the Panel's view that the system's objectives had largely been met and that it represented an improvement over the previous system.

2. The Secretary-General concurred with the Panel's recommendations to appoint three additional permanent judges to the United Nations Dispute Tribunal to replace the ad litem judges, together with the necessary supporting staff, in order to enable the Tribunal to stay abreast of its caseload without undermining judicial independence; to increase the mobility of the Dispute Tribunal by conducting hearings in the field, in order to enhance decentralization, transparency and access to justice; to provide summaries of Dispute Tribunal and Appeals Tribunal judgments to serve as jurisprudential guides, with a view to enhancing access to justice, especially for self-represented staff members; to encourage the use of mediation to resolve disputes; to train managers in conflict management; and to review the Tribunals' referral for accountability power in a process under the auspices of the Internal Justice Council.

3. The Secretary-General also concurred with the Panel that the Management Evaluation Unit, the Office of Staff Legal Assistance and the United Nations Appeals Tribunal Registry were underresourced and made specific recommendations to address that situation and improve the system's efficiency, fairness and effectiveness. Likewise, with regard to the Appeals Tribunal, he recommended establishing remuneration for judicial work relating to interlocutory motions and the administrative work of the President, with a view to reducing the Tribunal's heavy workload. In addition, he recommended amending the statute of the Dispute Tribunal by expanding the list of qualifications for judges to include impartiality and written and oral fluency in either English or French, in order to align it with the statute of the Appeals Tribunal, and by empowering the President of the Dispute Tribunal to monitor the timely delivery of judgments. The timelines for some of the Secretary-General's recommendations were subject to change based on decisions to be taken by the General Assembly, and alternative recommendations were also proposed in some cases to ensure consistency with such decisions. Lastly, the Secretary-General did not concur with certain of the Panel's recommendations and advised that some recommendations should be submitted for the Tribunals' consideration.

4. Introducing the report of the Secretary-General on the administration of justice at the United Nations (A/71/164), she said that the report contained observations on the functioning of the formal justice system in 2015 based on the experience of United Nations departments, offices and entities, as well as information and statistics on their activities during that year and since the system had commenced operation in 2009. It also provided a consolidated response to the requests made by the General Assembly in its resolution 70/112.

5. Section II of the report contained a number of observations on operational trends in the system. A link had again been observed between decisions affecting large numbers of staff and recourse to the formal system in the form of clustered or group applications. In particular, in 2015, retrenchment exercises in the

field had resulted in an increase in the requests for management evaluation by staff from the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) and the African Union-United Nations Hybrid Operation in Darfur (UNAMID), consistent with the upward trend in the number of such requests from staff in peacekeeping and special political missions since 2013. The overall number of management evaluation requests had nevertheless decreased in 2015. The increase in the number of applications received by the Dispute Tribunal in 2015 could be attributed to the submission of a group of applications by staff affected by a temporary remuneration freeze imposed in connection with a periodic salary survey and of another group of applications by staff from MONUSCO as a result of the abolition of posts. Similarly, the number of appeals to the Appeals Tribunal had increased as a result of the submission of appeals contesting judgments issued by the Dispute Tribunal in 2014 in connection with a previous group of applications relating to the periodic salary survey. The number of self-represented staff before the Appeals Tribunal had increased, while the number of staff representing themselves in cases before the Dispute Tribunal had decreased. Requests for legal assistance received by the Office of Staff Legal Assistance had increased. In addition, there had been an increase in the number of applications received by the Administrative Law Section, which represented the Secretary-General before the Dispute Tribunal, as well as an increase in the number of submissions filed with the Appeals Tribunal by the Office of Legal Affairs, the Secretary-General's legal representative before the Appeals Tribunal. A significant number of applications had been resolved without the need for adjudication on the merits, owing to continued efforts to resolve disputes informally. Lastly, section II provided statistics and information on the activities of the various entities involved in the formal system.

6. Section III of the report provided responses to specific requests by the General Assembly and the Advisory Committee on Administrative and Budgetary Questions, including information on recourse to the system by non-staff personnel in 2015; progress made in implementing the recommendations to address systemic and cross-cutting issues contained in the Secretary-General's report on the activities of the Office of the United Nations Ombudsman and Mediation Services (A/71/157); the promulgation of revised terms of reference and guidelines for that Office; the outcomes of matters involving the accountability of managers in confirmed cases of gross negligence; the effectiveness of the Management Evaluation Unit; the voluntary supplemental funding mechanism for additional resources for the Office of Staff Legal Assistance; the proposed single code of conduct for all legal representatives appearing before the Tribunals; and the implications of the General Assembly's amendments to the Tribunals' statutes for the disposition of appeals of orders issued by the Dispute Tribunal.

7. Section V drew attention to the resource requirements arising from the Panel's report, outlined in the report of the Secretary-General (A/71/163), and Section VI set out the Secretary-General's conclusions and recommendations for action to be taken by the General Assembly. The annexes to the report contained additional information cross-referenced in the relevant sections of the report.

8. Lastly, she drew the Committee's attention to the report of the Internal Justice Council on the administration of justice at the United Nations (A/71/158), which included the Council's views and recommendations on the justice system and its observations on the Panel's report. Annexes IV and V to the Council's report set out the views of the judges of the Appeals Tribunal and the Dispute Tribunal, respectively, in accordance with General Assembly resolution 70/112.

9. **Ms. Mendez** (Office of the United Nations Ombudsman and Mediation Services), introducing the report of the Secretary-General on the activities of the Office of the United Nations Ombudsman and Mediation Services in 2015 (A/71/157), said that, in addition to its efforts to address conflicts worldwide, the United Nations must focus on resolving conflict within the Organization itself, as underscored by the Secretary-General. Such conflict could be resolved constructively through various means, including informal processes, which addressed the underlying causes of conflict by helping to clarify interests and needs, resolve differences, restore working relationships and create a harmonious workplace. For the more than 50 per cent of Secretariat staff serving in field missions, high-stress work environments, often

compounded by difficult interpersonal dynamics, conditions of service in the field and entrenched operational processes and practices, frequently contributed to conflict and grievances. Her Office was committed to assisting with conflict prevention, management and resolution to enhance staff resilience and capacity to focus on the task at hand.

10. The report provided an update on the Office's efforts to provide dispute resolution services to all staff, including managers; conduct outreach and activities to promote conflict competence; and identify systemic issues within the Organization. In 2015, the Office had provided assistance in over 2,500 cases in total and had recorded 78 mediation cases, representing increases of 13 per cent and 22 per cent, respectively, compared with 2014. Those trends indicated an encouraging awareness of the role of mediation in limiting and preventing conflict escalation. A number of systemic issues had been identified, including administrative delays and unresponsiveness; the need to strengthen investigations; and the need to emphasize good planning and communication practices during mission downsizing. The Office had continued to focus on promoting conflict competence among staff, with a view to strengthening conflict management, prevention and personal resilience. In that connection, the Office had conducted more than 360 outreach activities around the world, including 146 skill-building workshops, training activities and information sessions.

11. A core aspect of the Office's mandate was to provide staff, particularly those serving in peacekeeping and special political missions, with easy access to informal conflict resolution services. In-person intervention was especially effective in building trust in cases involving highly sensitive issues, particularly in field environments. On average, since 2010, roughly half of the total number of cases had emanated from field missions, reflecting a consistent demand for the Office's services that could be partly attributed to its efforts to increase access to those services.

12. To ensure that workplace conflict did not detract from their substantive work, effective organizations learned from their experiences and improved their policies, processes and practices on an ongoing basis. In particular, respect for all those serving the organization, which could be fostered through small but meaningful acts, should be a priority for staff and managers alike. In that regard, she acknowledged the support of the General Assembly and the Secretary-General for the Office's efforts to create a more harmonious workplace within the United Nations and transform its way of doing business with a view to enhancing its constructive role in the world.

13. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/436), said that, with regard to the revised estimates for 2016-2017 set out in the Secretary-General's report (A/71/163), no case had been made for the immediate and exceptional consideration of additional funding for the system of administration of justice outside the cycle of the normal budget process and the Advisory Committee therefore recommended against the approval of the proposed resource requirements. The Advisory Committee provided specific observations on a number of the Secretary-General's proposals in Section II of its report.

14. With regard to the Secretary-General's report on the administration of justice (A/71/164), the Secretary-General could provide, in his annual report on the administration of justice, comments on the recommendations relating to systemic issues contained in the report on the activities of the Office of the United Nations Ombudsman and Mediation Services for the same session; he should therefore do so in the context of his next annual report on the subject. Lastly, the Advisory Committee stressed the importance of the informal justice system in taking early action to prevent or limit litigation.

15. **Mr. Chamlongrasdr** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the administration of justice as an integral part of effective human resources management and an accountability tool. While the Group agreed that the current system had largely achieved its objectives and was thus an improvement over the previous system, it welcomed the Panel's recommendations for further improvements. Noting the proposed revised estimates in the amount of $2,502,800 relating to their implementation, the Group would consider each of the Panel's recommendations, as well as the related

comments of the Secretary-General, in the light of the General Assembly's decision in paragraph 4 of its resolution 61/261.

16. The Group would consider the recommendations provided in the report of the Joint Inspection Unit (JIU) (A/71/117 and A/71/117/Corr.1) in conjunction with those of the Interim Independent Assessment Panel and looked forward to the letter from the Chair of the Sixth Committee on the legal aspects of the administration of justice. Noting the continued increase in the applications received by the system, the Group emphasized the need to foster a dialogue-oriented culture within the Organization, particularly in view of ongoing developments such as the implementation of the common system compensation package, in order to prevent potential conflict.

17. The Group noted with satisfaction the promulgation of the revised terms of reference and guidelines for the Office of the United Nations Ombudsman and Mediation Services; the proposal of a single code of conduct for all legal representatives; and the availability of adequate courtrooms for the Dispute Tribunal and the Appeals Tribunal, in line with General Assembly resolution 70/112. It would seek further information on, inter alia, the experimental voluntary supplemental funding mechanism, in informal consultations.

18. Acknowledging the contribution of all stakeholders involved in the operations of the formal and informal justice system since 2009, he emphasized the need to implement the recommendations of the Interim Independent Assessment Panel with a view to strengthening the system.

19. **Ms. Pilleri** (Observer for the European Union), speaking also on behalf of Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia and the Republic of Moldova, stressed the importance of the timely and simultaneous issuance of all required documentation in all official languages, as that was vital to achieving the inclusivity and transparency needed to help the Committee successfully conclude its negotiations. Her delegation therefore regretted that the report of the Advisory Committee (A/71/436) had been issued only 24 hours prior to the introduction of the related agenda item. In that regard, the Bureau of the Fifth Committee should stand ready, as necessary, to postpone the introduction of upcoming agenda items to avoid similar situations during the remainder of the session.

20. The European Union welcomed in particular the examination of the formal and informal justice systems provided in the Panel's report (A/71/62/Rev.1) and agreed that the current system represented an improvement over its predecessor. While noting its strengthened performance and capacity to deliver measurable benefits for staff, she stressed the need to implement recommendations aimed at improving its internal operations and efficiency, particularly with a view to ensuring that it embodied the principles of independency, transparency and professionalism. The Advisory Committee's comments on the need for further analysis and internal evaluation in examining requests for additional resources and for expanding the capacity of the internal justice system also merited close consideration.

21. Her delegation was encouraged by the emphasis on outreach aimed at raising staff awareness of informal dispute resolution, a vital component of the justice system that expanded access to the system while reducing the need for expensive procedures and time-consuming litigation. In that regard, efforts could be undertaken to strengthen conflict prevention and enhance access to information before cases were brought before the formal system. Lastly, the General Assembly should ensure that initiatives to improve the justice system took into account the Organization's broader human and financial resource requirements and corresponded to actual needs and clear qualitative outputs that were consistent with the system's objectives.

22. **Ms. Baumann** (Switzerland), speaking also on behalf of Liechtenstein, said that she looked forward to reviewing the letter from the Chair of the Sixth Committee on the legal aspects of the administration of justice.

23. Efforts to ensure that the justice system was adequately resourced and to improve the frameworks governing justice processes and personnel management were essential to strengthening the system's functioning and reducing the number of complaints. In that regard, she supported the Secretary-General's requests for additional posts and resources in response

to the Panel's recommendations; the recommendations of the Internal Justice Council and the Panel regarding the need for a clear and effective regulatory framework for staff members; and the recommendations that focused more broadly on the need for improved policies, processes and investigation procedures to promote efficiency and reduce the number of cases and the costs of the system.

24. Noting with concern that 45 per cent of the Organization's workforce did not have access to the internal justice system, she endorsed the Panel's recommendation to extend access to all personnel, irrespective of their status as staff or non-staff. In view of the Secretary-General's concern at the cost increase that would result from nearly doubling the number of individuals with access to the system, she urged the General Assembly to invite him to present alternative options to ensure that non-staff personnel had access to effective remedies.

25. Given the importance of ensuring the safety of staff reporting misconduct for upholding the Organization's standards of professionalism and integrity, it was regrettable that the formal system did not provide staff with adequate tools to respond to retaliation. In particular, the failure of the Ethics Office to guarantee proper protection for victims of retaliation left them no suitable alternative recourse, a situation that must be remedied. Commending the work of the Office of the United Nations Ombudsman and Mediation Services and its observations on systemic issues of conflict, she stressed the need for the Office, as an entity with direct access to the Organization's legislative bodies, to report to those bodies on such issues, as recommended by JIU.

26. **Mr. Fukuda** (Japan) welcomed the Panel's timely and comprehensive review, as well as its recommendations, some of which required further consideration by the General Assembly. While the reformed system had contributed to enhancing the accountability and credibility of the United Nations, certain recommended improvements, including the regularization of the experimental voluntary supplemental funding mechanism and of the position of the ad litem judges, should be considered on an individual basis as the system stabilized.

27. Given that many cases before the justice system resulted from poor communication or misunderstandings of human resources policies, fostering cooperation and direct communication, as well as developing clear and consistent human resources policies, would be critical for avoiding unnecessary litigation and creating a positive work environment. In addition, while all staff members were entitled to the right to appeal, the advantages and disadvantages of appealing with regard to career development and reputation should be clarified to both management and staff. In that regard, the Office of the United Nations Ombudsman and Mediation Services should work in conjunction with other human resources offices and departments over the long term to bridge the gap between rhetoric and reality with respect to the functioning of, and culture surrounding, the justice system. As a reliable method of recourse in cases that could not be resolved at earlier stages of mediation, the system aimed to promote a harmonious work environment conducive to the effective implementation of the Organization's programmes and projects in fulfilment of its mandates.

28. **Ms. Norman Chalet** (United States of America) welcomed the justice system's increased independence, transparency, professionalism, decentralization and capacity to address its caseload, as noted by the Panel. Despite the success of efforts undertaken since 2009 to improve managerial accountability for decisions taken and empower staff to seek redress, ongoing improvements to both the formal and informal components of the system should be made, building on experiences to date.

29. Considering the reports of the Panel and of the Secretary-General in the broader context of human resources management would allow the Committee to strengthen the transparency and accountability of the Organization, as well as to streamline the human resources management framework with a view to preventing disputes. In that regard, she welcomed the work of the Office of the United Nations Ombudsman and Mediation Services to streamline and rationalize the administration of justice and encouraged further exploration of ways to leverage the informal system to avoid unnecessary litigation. She also concurred with the Panel that management evaluations contributed to increased transparency in decision-making and a better understanding of regulations, rules and procedures among managers. In that regard, while noting the Secretary-General's initiatives to promote clear

communication and explanation of the Organization's regulations, rules and administrative decisions, she encouraged further efforts to increase outreach and promote awareness of such policies among staff members serving in the field, train managers in best practices and staff in the regulatory framework; and communicate new and revised policies in a timely and effective manner.

30. Her delegation had reservations about extending access to the internal justice system to non-staff personnel, as the nearly twofold increase in individuals covered by the system would require doubling the number of judges, staff and lawyers. In addition, the system would have to assume and adjudicate the various legal frameworks relating to non-staff categories, in which would have significant legal and financial implications. Emphasizing that contracts and other agreements with non-staff personnel should provide clear information on dispute resolution, she encouraged the Secretary-General to continue to disseminate information with regard to available support for non-staff involved in disputes. Lastly, she encouraged prioritization of tangible reforms that would result in real improvements to the administration of justice, with a view to strengthening the Organization's approach to human resources management.

Agenda item 139: Human resources management

Implementation of the new common system compensation package in the United Nations Secretariat (A/70/896, A/70/896/Corr.1 and A/70/961)

31. **Mr. Kisob** (Office of Human Resources Management), introducing the Secretary-General's note on the implementation of the new common system compensation package in the United Nations Secretariat (A/70/896 and A/70/896/Corr.1), said that the General Assembly, in its resolution 70/244, had approved changes to the compensation package for staff in the Professional and higher categories, to come into force on 1 July 2016, including a modification of the eligibility requirement for the repatriation grant, changes to relocation-related elements and changes to field allowances and benefits, including the hardship allowance, the additional hardship allowance, the mobility allowance and accelerated home leave travel. In the resolution, the Assembly had further decided that the proposed unified base/floor salary scale structure should come into force on 1 January 2017 and that the changes to the education grant should come into force for the school year in progress as at 1 January 2018.

32. The amendments to the Staff Regulations required for 1 July 2016 had been approved by the General Assembly in its resolution 70/256, and the provisional staff rules required for 1 July 2016, together with additional amendments required to the Staff Regulations and Rules for 1 January 2017, were set out in the Secretary-General's report on amendments to the Staff Regulations and Rules (A/71/258), which was before the Committee at the current session. Amendments required for 1 January 2018 would be submitted to the Assembly at its seventy-second session. Overall, the Secretariat's policy framework was or would be ready to proceed with implementation of all the changes by the effective dates mandated by the General Assembly.

33. As at 1 July 2016, the Secretariat had implemented the majority of elements of the new compensation package under phase 1 of the implementation schedule. However, owing to the need for testing and data clean-up, two elements under that phase were outstanding: the introduction of the mobility incentive in lieu of the mobility allowance and the discontinuation of the non-removal element. They would be implemented on 1 November 2016 and would apply retroactively. Further, owing to the complexity of the computer coding required for the implementation of the new unified base/floor salary scale, the technical solution would not be operational until 1 September 2017. The remaining changes to the compensation package due to come into force on 1 January 2018 would be implemented for the school year in progress as at 1 January 2018. The Secretary-General's note provided a summary of the technical and operational challenges faced by the Secretariat that were causing unavoidable delays in implementing some of the elements of the new compensation package.

34. The delay was attributable not to the vendor of the enterprise resource planning (ERP) system but rather to the complexity in the computer coding of some elements of the compensation package, which

meant that the technical solution would be delivered by the vendor without sufficient lead time for the Secretariat to conduct all the required predeployment activities, including extensive technical testing of the new solution.

35. The changes to the new unified salary scale and related dependency allowances scheduled for 1 January 2017 would affect most lines in the monthly payslips of internationally recruited staff in the Professional and higher categories and in the Field Service category. The high risk of inaccuracies could result in increased legal and financial liabilities for the Organization. In order to mitigate that risk, the Secretariat must implement the new compensation package with as few technical problems as possible.

36. Since the issuance of the Secretary-General's note, the Secretariat had gathered additional inputs from the International Civil Service Commission (ICSC) and the United Nations Joint Staff Pension Board, and, through close collaboration with the vendor, it had identified an interim mitigation solution that would allow it to implement the unified scale as of 1 January 2017, as mandated by the General Assembly, thereby obviating the need for any adjustment of the implementation date. In addition, the interim mitigation solution would minimize discrepancies between the monthly net pay that staff members should receive and the amount that they would actually receive during the interim period (1 January to 31 August 2017). Recalculation would still be needed but with limited adjustments to staff members' net pay, thereby reducing the risk of legal and financial liabilities and eliminating potential issues for the United Nations Joint Staff Pension Fund. The Secretariat would provide more details on the interim mitigation solution during informal consultations and looked forward to a decision by the General Assembly that would help the Secretariat to address potential litigation from staff members during the interim period. The steps being taken by the Secretariat, including the interim mitigation solution, would not have any impact on the expected savings associated with the various elements of the package that had been reported by the Secretary-General in his statement on the financial implications of the recommendations of ICSC (A/C.5/70/3).

37. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/70/961), said that, as the Advisory Committee had considered the implementation of the new common system compensation package at its previous session, some of its comments might have been overtaken by the new developments just presented by the Secretariat. In its report, the Advisory Committee recognized the challenges faced by the Secretariat in the implementation of the new package but stated that it was not fully convinced that it was operationally not possible to implement the package while maintaining the mandated effective dates and considered that alternative options should be explored for implementing the changes with retroactivity. In that connection, he welcomed the mitigation measures announced by the Secretariat and trusted that further information would be provided in due course. Lastly, the Advisory Committee stressed the importance of maintaining coherence among United Nations common system organizations in the implementation of the new compensation package.

38. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group reaffirmed its support for the ICSC proposals on the common system compensation package and noted with concern the delays in implementing some of the elements of the package for staff in the Professional and higher categories owing to technical and operational challenges. The Group recognized the importance of the common system and noted that the Commission had taken three years to complete its comprehensive review of the compensation package in consultation with all interested parties and stakeholders, including representatives of United Nations agencies, funds and programmes. While recognizing the complexity of the issues involved, the Group hoped that the Secretariat would continue its efforts to find a practical solution that would allow the compensation package to be implemented as mandated by the General Assembly, with due regard for staff benefits and entitlements. The Group welcomed the interim mitigation solution announced by the Secretariat and looked forward to receiving information in writing for informal consultations.

39. **Mr. Abdallah** (Chad), speaking on behalf of the Group of African States, said that the Group reaffirmed its strong support for the transformation initiatives that were enabling the Organization to deliver its mandate in the most efficient and effective manner. The Group also remained committed to the implementation of the new compensation package, as approved by the General Assembly, and was therefore seriously concerned about the delays in the implementation schedule. The Group noted the Secretariat's explanation of the reasons for the delays and the revised implementation dates and called for additional efforts by all stakeholders to ensure that the obstacles were overcome as a matter of priority while preserving all staff benefits. The Group also encouraged the Secretary-General to undertake an outreach exercise in order to inform staff of the challenges faced and the expected dates of solutions. The Group looked forward to further guidance on the matter from the Secretariat during informal consultations.

40. **Ms. Csernelházi** (Observer for the European Union) said that the European Union recognized the challenges faced by the Secretariat in the implementation of the new compensation package for staff in the Professional and higher categories. It was therefore encouraged to learn that a solution to the problem had been identified that respected the mandated implementation dates and also limited the need to recalculate payments to staff. The solution should be implemented in the most efficient and effective manner while maintaining coherence among United Nations common system organizations. Furthermore, the Secretary-General should ensure that the new compensation package was implemented in full compliance with the mandated effective dates set out in Assembly resolution 70/244 and that staff were kept fully informed of developments.

41. **Mr. Fukuda** (Japan) said that the Secretariat had a responsibility to implement fully the United Nations common system of salaries, allowances and other conditions of service. His delegation was concerned that the delay in the implementation of the new common system compensation package in the United Nations Secretariat would affect the application of the Staff Regulations and Rules by other United Nations organizations, which might not introduce new compensation packages even though many of them had been addressing the need for appropriate modifications to their operational compensation systems and were in a position to implement them as scheduled.

42. Good operational systems were essential for good management of policy. However, the Secretariat must make every effort to implement the resolutions of the General Assembly through its policies and should refrain from requesting a delay without offering an alternative proposal for appropriate implementation, including retroactive adjustment as necessary. His delegation welcomed the interim mitigation solution just proposed by the Secretariat and looked forward to considering it at a later stage.

43. **Mr. Kalugin** (Russian Federation) said that the changes to the common system compensation package approved by the General Assembly in its resolution 70/244 constituted the first large-scale reform for 25 years, affecting all the main elements of the package and making it more flexible, fair and effective. At the same time, the package remained attractive for staff, ensuring competitive conditions of service in common system organizations in comparison with public and private sector institutions, which also had an interest in hiring highly qualified professionals.

44. The adoption of the resolution had been preceded by intensive efforts by delegations, including his own, to reach consensus on specific arrangements for the new compensation package and a timeline for its implementation. His delegation was therefore deeply disappointed that the Organization was unable to fulfil the requirements of resolution 70/244 in a timely manner. During the discussions on the new compensation package in December 2015, Member States had actively consulted with Secretariat representatives on all the major aspects of implementation, including the timeline for the introduction of the three main elements of the package. In that context, his delegation did not understand why the Secretary-General's note setting out the proposal to delay the reform of the compensation system had not been issued until May 2016, five and a half months after the package had been approved. His delegation was also seriously concerned that the proposal would lead to a lost budgetary benefit: the maximum saving that should be achieved after final implementation of the new compensation package would be delayed for a year, and that year would be lost forever.

45. The General Assembly's resolution should be implemented in full and without delay. In that connection, his delegation recalled the conclusion of ICSC that a decision to delay the transition to the new compensation package in the United Nations Secretariat would create a significant imbalance within the common system and would lead to differences in conditions of service among its organizations.

46. Bearing in mind the Advisory Committee's recommendations and the information provided by the Secretariat, his delegation stood ready to consider alternative options for resolving the problem, but stressed the need for cost-neutrality. Any additional expenditure that might arise from alternative options would have to be covered from existing resources.

47. **Ms. Maciel González** (Paraguay), reaffirming her delegation's support for the ICSC proposals concerning the common system compensation package, said that her delegation had been actively involved in the negotiations on that matter over the past three years with a view to ensuring that the opinions of all interested parties were taken into account and that an appropriate timetable for implementation was established. While her delegation recognized the complexity of the changes involved, it was concerned at the delays in implementing some of the elements of the new package owing to technical and operational challenges and hoped that the Secretariat would draw lessons from the experience so as to be able to prepare appropriately for future undertakings of a similar nature. Her delegation also hoped that the Secretariat would continue to seek a prompt and practical solution for the implementation of the package, in full compliance with the mandate established by the General Assembly and with due account taken of staff benefits and rights, and looked forward to receiving further details of the interim mitigation solution just announced.

48. **Ms. Norman Chalet** (United States of America) said that her delegation appreciated the Secretariat's efforts to abide by the timelines mandated by the General Assembly for the implementation of the new compensation package and welcomed the new information provided at the current meeting. Her delegation looked forward to consulting on the next steps to be taken.

The meeting rose at 11.35 a.m.

United Nations A/C.5/71/SR.5

General Assembly
Seventy-first session

Official Records

Distr.: General
3 November 2016

Original: English

Fifth Committee

Summary record of the 5th meeting
Held at Headquarters, New York, on Thursday, 13 October 2016, at 3 p.m.

Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Tribute to the memory of King Bhumibol Adulyadej of Thailand

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

International Public Sector Accounting Standards

Agenda item 136: Improving the financial situation of the United Nations (*continued*)

Agenda item 135: Programme planning (*continued*)

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org/).

16-17735 (E)

Please recycle

The meeting was called to order at 3.05 p.m.

Tribute to the memory of King Bhumibol Adulyadej of Thailand

1. On behalf of the Committee, **the Chair** paid tribute to the memory of King Bhumibol Adulyadej of Thailand.

2. **Ms. Wairatpanij** (Thailand) expressed appreciation for the tribute paid to the memory of King Bhumibol Adulyadej.

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

International Public Sector Accounting Standards (A/71/226 and A/71/542)

3. **Mr. Guazo** (Director, Accounts Division), introducing the ninth progress report of the Secretary-General on the adoption of the International Public Sector Accounting Standards (IPSAS) by the United Nations (A/71/226), said that the report focused on IPSAS sustainability and addressed the strengthening of internal controls, IPSAS benefits realization and the strengthening of Umoja as the backbone for IPSAS-compliant accounting and reporting. It also introduced the plan to institutionalize the United Nations IPSAS project by 31 December 2017. At the United Nations, all the financial statements for 2014 and 2015 had received unqualified audit opinions.

4. At the United Nations system-wide level, the report discussed the efforts to achieve increased harmonization of IPSAS-compliant accounting and reporting across United Nations system organizations, as well as collaboration platforms and tools to share information and best practices.

5. In July 2015, the Management Committee had endorsed a five-pillar plan to support IPSAS sustainability, aimed at ensuring that IPSAS compliance could be maintained, and to support the use of IPSAS-triggered information to better manage the Organization. Progress had been made in introducing a Statement on Internal Controls, the ongoing work on the IPSAS policy framework, corporate guidance and the Finance Manual, the management of IPSAS benefits, and the deployment of Umoja to support asset accounting in field missions. The IPSAS team was driving implementation of the sustainability plan; its residual functions would be institutionalized by the end of 2017.

6. Those achievements were the result of continued strong oversight, risk management and progress reviews by the IPSAS Steering Committee. The Management Committee had continued to provide strategic direction and promote commitment to management reform. The Independent Audit Advisory Committee (IAAC) would continue to assist the General Assembly in fulfilling its oversight responsibilities on IPSAS-related issues until the end of the project life cycle.

7. The IPSAS team as a separate organizational unit would be decommissioned on 31 December 2017. However, as pointed out in the seventh progress report of the Secretary-General (A/69/367), it had been recognized that, beyond the post-implementation phase of the IPSAS project, there would remain a need to maintain a supporting structure within the Organization to ensure the long-term sustainability of IPSAS compliance. To that end, a review had been undertaken to identify the residual functions of the IPSAS team that should be institutionalized to support continued IPSAS compliance, including the closer integration of IPSAS-compliant processes in the day-to-day operations of the Organization. It was proposed that a supporting structure to drive continued IPSAS compliance should be established in the Office of Programme Planning, Budget and Accounts, to be staffed from currently approved resources: three regular budget posts currently assigned to the IPSAS project and four posts deployed from the Financial Reporting Service of the Accounts Division.

8. The IPSAS implementation project indicative budget was $27 million, prior to detailed planning of sustainability activities. Expenditure to 30 June 2016 had been $24 million. An additional $2.5 million had been approved under the 2016/17 peacekeeping support account, in combination with the already approved $1.24 million regular budget resources for the biennium 2016-2017.

9. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/542), said that the IPSAS project was a success on which the Secretariat was to be commended. The Advisory Committee welcomed

the reported improvements in United Nations financial accounting and reporting resulting from the implementation of IPSAS. It took note of the ongoing implementation of all pillars of the IPSAS sustainability plan, including benefits management, and expressed the view that future reporting on IPSAS benefits should include concrete examples supported by quantitative measurements. The Advisory Committee stressed the role of managers in ensuring the delivery of IPSAS benefits and in implementing the Organization-wide internal control framework.

10. The Advisory Committee noted the progress made in the development of the Umoja business planning and consolidation module and the Umoja asset accounting process. Lastly, the Advisory Committee recognized the need to maintain a supporting structure to drive IPSAS sustainability activities, and would consider the proposed structure and make recommendations to the General Assembly when it considered the relevant budget proposals.

11. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group welcomed the progress made in the implementation of IPSAS over the past year, including the improvements in the Organization's financial accounting and reporting, and expected those improvements to lead to even greater efficiency, effectiveness and accountability in the management of the Organization's resources. The Group noted that, during the reporting period, the accountability of senior managers for the sustainability of IPSAS had been included in the individual compacts signed between those managers and the Secretary-General. The Group looked forward to receiving detailed information in that regard.

12. With regard to benefits management, while the Group acknowledged the information on the improved stewardship of assets and liabilities, the availability of more comprehensive cost information, improved consistency and comparability, and increased transparency and accountability, it remained of the view that future reporting on those improvements should include concrete examples supported by quantitative measurements and should also be clear as to the improvements attributable to Umoja-related system enhancements and those attributable to the adoption of IPSAS. The Group shared the Advisory Committee's view that further benefits should be explored by managers as departments, offices and missions mainstreamed IPSAS in their work processes.

13. With regard to the strengthening of internal controls, the Group noted that all heads of departments, offices and missions would now be required to submit an annual assurance statement affirming that internal controls were present and functioning in their respective areas of responsibility. It also noted that the Controller had defined the Organization's three main internal control objectives as the operations objective, the reporting objective and the compliance objective. The strengthening of internal controls should be treated as a management responsibility and not just a financial reporting exercise: every effort should be made to train and equip managers with the tools necessary to establish, monitor and report on internal controls.

14. With regard to managing the regulatory framework, the Group noted the efforts of the project team to monitor and participate in the ongoing policy discussions of the IPSAS Board. It also noted the information relating to progress made in strengthening Umoja as the backbone for IPSAS-compliant accounting and reporting, in particular the automation of the financial statement process using the business planning and consolidation module and the plan to deploy Umoja in field missions for asset accounting. Previous concerns about the high level of risk involved in the transfer of data across multiple systems for the purpose of preparing financial and other statements must be addressed. In addition, efforts should be made to ensure that the sustainability of IPSAS compliance was not compromised by issues relating to the implementation of Umoja.

15. With regard to the project budget and the proposed supporting structure for the long-term sustainability of IPSAS, IPSAS implementation should be treated as a specific time-bound project and the current level of resources for the project team should not be used as a baseline for the anticipated level of resources for the post-2017 supporting structure. The Group would seek specific clarification of those matters. It also emphasized the need for the full utilization of in-house expertise on the implementation of the project. In addition, United Nations entities should continue to share lessons and best practices and address any underlying challenges relating to IPSAS implementation.

Agenda item 136: Improving the financial situation of the United Nations (*continued*) (A/71/440)

16. **Mr. Takasu** (Under-Secretary-General for Management) said that, since the cut-off date of 30 September 2016, some $61 million had been received from 30 Member States: $1.5 million for the regular budget from five Member States; $59.7 million for peacekeeping operations from 27 Member States; and $31,000 for the international tribunals from four Member States. Those payments had resulted in additions to the lists of Member States that had paid their contributions in full under different budget categories. Since the presentation on the financial situation of the United Nations (A/71/440) on 5 October 2016, three Member States had paid their regular budget assessments in full, bringing the total number to 129; two Member States had paid their peacekeeping assessments in full, bringing the total number to 27; and payments by three Member States had brought to 104 the number of Member States that had paid in full their assessments for the international tribunals. Lastly, since 5 October 2016, the number of Member States that had paid their contributions in full for all budgets had reached 27, following the receipt of payments from two Member States.

17. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group appreciated the information provided on Member States' assessments, including through the online status-of-contributions portal, which had proved to be an important tool for Member States.

18. The Group noted that, as at 30 September 2016, the level of unpaid assessed contributions to the regular budget had been $136 million, or 9 per cent, higher than the level outstanding a year earlier. The levels of unpaid assessments for peacekeeping operations and tribunals remained high but were lower as a percentage of total assessments than they had been the previous year, while the cash balances under those two categories were currently positive. The Group was encouraged that the Board of Auditors had noted that the financial health of the United Nations as a whole remained sound, with sufficient assets overall to meet both short-term and longer-term liabilities. However, it remained concerned that the regular budget cash position remained difficult, with severe cash problems projected unless sufficient contributions were received.

19. Noting that the level of outstanding payments to Member States that provided uniformed personnel and equipment for peacekeeping operations was projected to be $713 million by the end of 2016, she said that, while the Group appreciated the efforts made in that area, it remained concerned about the negative effect of delays in reimbursements to troop- and police-contributing countries, such as the effect on the maintenance of equipment in the field. Further efforts were needed in order to ensure that Member States, in particular developing countries — whose nationals often made the ultimate sacrifice — were reimbursed in full, on time and as a matter of priority, bearing in mind the challenges they faced in sustaining peacekeeping commitments.

20. The Group had consistently stated that the full, timely and unconditional payment of assessed contributions by Member States was an obligation established in the Charter. The Group strongly urged all Member States, especially those that had the capacity to settle their arrears in a timely fashion, to fulfil their financial obligations with a view to enhancing the Organization's effectiveness and efficiency in the implementation of its important mandates. The Group reiterated its rejection of all unilateral coercive measures contrary to international law that obstructed or impeded payments from its members.

21. **Mr. Gafoor** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ASEAN commended all Member States that had made efforts to meet their financial obligations to the United Nations and was happy that overall financial indicators for 2016 were generally sound. However, it was deeply concerned by the increase in the amount of unpaid assessments for the regular budget and the projected impact on the Organization's cash position in the closing months of the year. ASEAN sympathized with the predicament of some Member States, particularly developing countries, which faced genuine difficulties in paying their assessments, but encouraged all Member States with unpaid assessments to meet their financial obligations in full, on time and without preconditions. Failure to do so compromised the Organization's ability to implement its mandates effectively. ASEAN was pleased to note that the quantum of outstanding payments to Member States contributing troops, police

and equipment to peacekeeping missions had decreased by almost half in comparison with 2015 and applauded the Secretariat's commitment to meeting its obligations to Member States.

22. As the sole multilateral organization with global membership and universal legitimacy, the United Nations had a vital role to play in fostering solutions to complex global challenges. Member States had a responsibility to provide the Organization with the necessary resources to carry out its important work. At the same time, the Organization must be accountable to its Member States, and the Secretariat must ensure that their collective contributions were managed honestly, transparently and efficiently. ASEAN would work with the Secretariat and Member States to that end.

23. **Ms. Grant** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia and the former Yugoslav Republic of Macedonia; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia, Liechtenstein, the Republic of Moldova and Ukraine, said that guaranteeing the financial health of the United Nations was a responsibility shared between Member States and the Organization that was fundamental to the capacity of the United Nations to fulfil its numerous mandates and missions. The promotion of sound financial management at the United Nations was a priority for the European Union. It was each Member State's responsibility to pay its assessed contributions in full, on time and without conditions.

24. The European Union noted with concern that the level of unpaid contributions to the regular budget was higher in 2016 than in the previous year and that fewer Member States had paid in full. The Controller had been very clear in her assessment of the impact: severe cash problems would be experienced in the final months of 2016 unless sufficient contributions were received. The European Union encouraged Member States to pay their assessed contributions in full as soon as possible. A small number of Member States were responsible for a large proportion of unpaid regular budget assessments; they should rectify the situation as a matter of priority.

25. With regard to peacekeeping, significant arrears persisted, which impacted negatively on the Organization's ability to meet its obligations to Member States providing troops and equipment. The European Union was pleased to note that the projected year-end level of outstanding payments to those Member States represented a decrease compared with 2015, but there was room for further improvement. Moreover, while an increased number of Member States had paid their assessed contributions to the international tribunals, there were significant difficulties in securing voluntary contributions for the tribunals.

26. Financial health depended not only on the reliable receipt of funds but also on the standards applied in spending those funds. The United Nations must continue its efforts to spend more wisely and accountably in line with agreed budget levels. The member States of the European Union were committed to providing the Organization with the necessary resources to conduct its work. At the same time, there was substantial scope for improving the way it operated by seeking further savings and efficiencies and by promoting the meaningful reprioritization of activities and delivery of results.

27. **Mr. Hampton** (New Zealand), speaking also on behalf of Australia and Canada, said that the three delegations were pleased to note that the financial situation of the United Nations was sound and that a decrease in outstanding payments under the peacekeeping budget was forecast. It was also heartening to hear that further assessed contributions had been received since the presentation on 5 October 2016.

28. Unpaid assessed contributions placed a financial burden on troop-, police- and equipment-contributing countries and resulted in inequity between Member States that had paid their assessed contributions in full and on time and those that had not. Timely payments for contributions to peacekeeping operations and for letters of assist and death and disability claims depended on Member States' meeting their financial obligations to the United Nations in full and on time. The three delegations commended the Secretariat for continuing to prioritize swift payment to Member States despite the difficulties caused by the late receipt of assessed contributions.

29. Unpaid assessed contributions also had a significant adverse impact on the Organization. As reserve funds were nearly exhausted, there was a risk of

severe cash problems if sufficient contributions were not received. The Working Capital Fund had been established to provide advances until contributions were received but could function properly only if those contributions were paid in full and on time. The increasing reliance on the Fund and the Special Account was also a matter of concern: the cash shortfall had grown from $31 million in 2013 to $344 million as at 30 September 2016. The three delegations would continue to demonstrate their commitment to the work of the United Nations by paying their dues in full, on time and without conditions, and they urged all Member States to do the same. At the same time, they recognized the challenges associated with differences in financial years and the timing of related national legislative processes and encouraged those Member States in arrears to submit multi-year payment plans.

30. The Organization must be provided with the resources it needed to carry out its work effectively. At the same time, a collective effort must be made to identify potential savings, improve processes and make better use of existing resources. The key to improving the financial situation of the United Nations was to ensure that its resources were managed efficiently.

31. **Mr. Sánchez Azcuy** (Cuba) said that the United Nations needed a sound financial basis in order to fulfil the purposes for which it had been established. Member States must pay their contributions in full, on time and without conditions and must spare no effort to ensure the Organization's financial stability.

32. The efforts made by many Member States to fully discharge their payment obligations — particularly developing countries, which were the most affected by the current global economic and financial situation — demonstrated their commitment to the Organization. Consideration should be given to the special circumstances of certain developing countries that prevented them from honouring their financial commitments even though they possessed the political will to do so. His delegation reiterated its call for more effective and efficient management of the financial resources made available to the Organization by Member States, particularly at a time when they were adopting austerity measures at home. Accountability, transparency and the capacity to achieve results were essential indicators.

33. Despite the obstacles that Cuba faced as a developing country, it remained fully committed to multilateralism, as demonstrated not only by its active involvement in the work of the United Nations but also by its political will to meet its financial responsibilities. However, that political will was frustrated by the economic, financial and commercial embargo that the United States of America continued to impose on his country. Although some progress had been made at the bilateral level since the re-establishment of diplomatic relations just over a year previously, the embargo remained in force and continued to cause serious harm and hardship to the Cuban people and to hamper the economy and relations with other countries. The executive measures adopted by the United States Government, though positive, were not sufficient. His Government was prevented by the embargo from paying its dues to the Organization, despite having the necessary resources and the willingness to pay. It hoped to be able to effect payment by the end of the year. In that regard, he thanked the Secretariat for its cooperation and support in attempting to find alternative solutions and reiterated its determination to honour its obligations to the Organization and its commitments under the Charter.

34. **Mr. Abdallah** (Chad), speaking on behalf of the Group of African States, said that the Group noted the Secretariat's efforts to improve the management of resources and commended those States that had facilitated those efforts by paying their budget contributions in full. However, the late payment of contributions by some States had a serious impact on the Organization's cash position. A special approach was needed to help States that were in arrears to discharge their obligations.

35. The Group was also concerned at the delays in payments to troop- and equipment-contributing countries. While recognizing that those payments were dependent on the receipt of assessed contributions from Member States, the Group encouraged the Secretariat to make additional efforts in that regard and to ensure that available budget resources were prudently managed.

36. **Ms. Gouret Verschueren** (France) said that France had paid the majority of its assessed contributions, yet was on the list of countries in arrears in the payment of peacekeeping assessments as at

30 September 2016 in respect of assessments issued between July and September 2016.

37. With its proven commitment to the United Nations, her country attached great importance to the financial health of the Organization and was concerned at the cash flow situation of certain peacekeeping missions. France would therefore make a payment of $240 million at the end of October 2016 for the financing of peacekeeping operations, which would cover its outstanding assessments in full, as well as $62 million in advance in respect of assessments issued after 30 September 2016. Lastly, noting with concern the cash position of the regular budget, she underscored that France had paid in full its assessments for the regular budget, the international tribunals and the capital master plan.

38. **Mr. Fu** Daopeng (China) underscored the fundamental importance of financial resources in supporting the functioning and role of the United Nations, and welcomed the generally positive financial situation of the Organization. Commending those Member States that had paid their regular budget and peacekeeping assessments in full, he was nevertheless concerned by the level of unpaid assessments under those categories, totalling $1.189 billion and $2.341 billion, respectively, as at 30 September 2016, both higher than as at 2 October 2015. Moreover, the regular budget cash shortfall of $344 million as at 30 September 2016 far exceeded the shortfalls recorded as at 2 October and 31 December 2015, a situation that would worsen by year-end unless further payments were received. He called on all Member States to pay their assessed contributions in full, on time and without conditions to allow the Organization to deliver its mandates.

39. Countries possessing the requisite resources, in particular developed countries with high assessments, should pay their outstanding assessments without delay. His delegation was sympathetic to countries facing economic and fiscal difficulties, particularly least developed countries, and supported the continued application of Article 19 of the Charter to accommodate their situation.

40. While China had maintained relatively high economic growth rates in recent years, internal and external challenges exerted heavy pressure on its economy, sharply increasing the need for financial resources to support economic development, poverty reduction and a better standard of living. Notwithstanding the 54 per cent increase in China's assessed contribution to the regular budget from 5.148 per cent to 7.921 per cent as a result of the adoption of the new scale of assessments for 2016-2018, it had paid all of its assessments on time and in full, a testament to its firm support for the Organization.

41. The Secretariat must take a rational, scientific approach to budget formulation, improve budget management and optimize budget expenditure, and devote greater resources to development and the priorities of developing countries. In addition, financial discipline, oversight and accountability must be strengthened with a view to making effective use of every penny paid by the taxpayers of Member States.

42. **Mr. Imada** (Japan) stressed the need for Member States to pay their assessments on time and in full. Despite its long-standing financial difficulties, his Government had faithfully met its international commitments and its financial obligations to the Organization, thereby contributing to international peace and prosperity.

43. The General Assembly must consider all proposed resource requirements with a view to formulating a realistic budget that was adequate to ensure effective mandate delivery. In particular, in reviewing any additional requirements proposed under the programme budget for 2016-2017 or the budget outline for 2018-2019 in connection with the series of high-level commitments to be implemented by the Organization in the coming years, the Committee must exercise strict budgetary discipline to ensure efficient, effective and accountable use of resources.

44. **Mr. Augusto** (Angola) noted that cash positions were positive for all budget categories, with the exception of the regular budget, where cash levels were low and reserves almost exhausted. Severe cash problems would be experienced by year-end unless timely contributions were received, in which connection he noted the high level of unpaid regular budget assessments to date. Acknowledging the Secretariat's efforts to expedite reimbursement to States that provided troops, formed police units and contingent-owned equipment, he emphasized the need for Member States to meet their financial obligations in

full and on time to ensure the Organization's financial health.

45. To avoid potential cash flow problems, he requested the Secretariat to closely monitor the regular budget cash position and urged Member States to honour their financial commitments in the coming months. While encouraged that the remaining reserves in the amount of $7 million were sufficient to cover at least six weeks of regular budget operation, he urged the Secretariat to manage them carefully and to review their adequacy in the light of the pattern of the payment of the assessed contributions of Member States and the level of commitment authority. He also noted with satisfaction the sound overall financial health of the Organization, despite the liquidity problems with respect to the regular budget, with sufficient assets to meet short- and long-term liabilities.

46. Despite the unpredictable financial requirements for peacekeeping operations owing to the changing demand for such activities, it was encouraging that contributions amounting to $8.9 billion had been received out of the total of $10.3 billion assessed for peacekeeping operations in 2016. In that regard, he noted that the amount of cash available for peacekeeping operations was approximately $5 billion, with $4.7 billion in the accounts of active missions. With regard to outstanding payments to Member States providing troops and equipment to peacekeeping operations, he urged the Secretariat to closely monitor the peacekeeping cash flow situation, with a view to maximizing quarterly payments to Member States on the basis of cash and data availability. Lastly, he commended those Member States that had paid their regular budget and peacekeeping assessments in full.

47. **Mr. Deme** (Senegal) noted the generally strong financial performance of the Organization. That situation could nevertheless become untenable and cash problems could arise at the end of 2016 if the roughly $1 billion in outstanding regular budget contributions was not paid in the next few months. Despite its limited resources and the unfavourable economic environment, his country was committed to meeting its financial obligations to the Organization, as evidenced by its continued presence at the top of the honour roll of countries that had paid their assessments in full for all budget categories.

48. The increase in the number of Member States in arrears in the payment of their assessed contributions was a matter of concern. In that regard, Member States' insistence on demonstrable results from the Organization should be matched by their commitment to meet their financial obligations on time and in full to facilitate mandate delivery. Outstanding assessments represented a considerable portion of the budget, preventing the Organization from carrying out its work and contributing to its tight cash flow situation, particularly in the light of its nearly exhausted reserves.

49. The gloomy global economic situation had obliged Member States to manage their national budgets carefully, and the United Nations should do the same in the face of its resource problems. To that end, the Organization should improve the collection of its financial resources and find innovative ways of improving the effectiveness of its activities. It should likewise be managed to the highest standards of efficiency, transparency and cost-effectiveness.

50. The high level of unpaid peacekeeping assessments would likely have a negative impact on reimbursement to troop-contributing countries, many of which were developing countries that depended on such reimbursement to train their troops and renew equipment for peacekeeping missions. Lastly, while welcoming the efforts undertaken to reduce outstanding payments to Member States that provided troops, police and contingent-owned equipment, he called for faster reimbursement to avoid penalizing such States.

Agenda item 135: Programme planning (*continued*) (A/C.5/71/L.3)

Draft resolution A/C.5/71/L.3: Programme planning

51. *Draft resolution A/C.5/71/L.3 was adopted.*

The meeting rose at 4.35 p.m.

United Nations A/C.5/71/SR.6

General Assembly
Seventy-first session

Official Records

Distr.: General
4 November 2016

Original: English

Fifth Committee

Summary record of the 6th meeting
Held at Headquarters, New York, on Tuesday, 18 October 2016, at 10 a.m.

Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

Capital master plan

Agenda item 144: Report on the activities of the Office of Internal Oversight Services (*continued*)

Agenda item 133: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org/).

16-18097 (E)

Please recycle

The meeting was called to order at 10.10 a.m.

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

Capital master plan (A/71/5 (Vol. V), A/71/309, A/71/331 and A/71/541)

1. **Mr. Nye** (Facilities and Commercial Services Division), introducing the Secretary-General's fourteenth annual progress report on the capital master plan (A/71/309), said that the report, submitted pursuant to General Assembly resolutions 57/292 and 70/239, contained an update on the implementation of the plan and its financial position. The project had achieved its objectives of providing a modernized and safe environment for delegates, employees and visitors at United Nations Headquarters that met the highest standards of fire safety, security, energy conservation and accessibility, in line with the host city's building, fire and safety codes. In that context, major efforts had been undertaken to remove asbestos; enhance security infrastructure and equipment; install sprinkler and complete fire alarm systems; replace heating, ventilation and air conditioning systems, lighting and ceilings; and upgrade electrical wiring and panels. All construction work undertaken by the construction management company under 24 guaranteed maximum price contracts, including commissioning and punch-list corrective work, had been completed, with the exception of the remaining landscaping on the North Lawn and security-related work at the 42nd and 48th Street entrances.

2. The Secretariat, Conference and General Assembly Buildings, as well as the basements and various complex systems integrated in the buildings, had achieved final completion status and were fully operational, and corresponding certificates had been issued by the architects and engineers of record. The interim arrangements for the relocation of the cafeteria functions from the South Annex Building, the refurbishment of the Dag Hammarskjöld Library Building, the new classrooms in the third basement area of the North Lawn Conference Building and the demolition and removal of the temporary North Lawn Building had also been fully completed, with the landscaping works on the North Lawn expected be completed in full by 31 December 2016. Substantial completion of the remaining security-related work at the 42nd and 48th Street entrances, which was being undertaken by vendors selected through the standard procurement process and managed directly by the Secretariat, was expected by 31 December 2016, with final completion expected by 1 April 2017. The Office of Central Support Services was working closely with the Office of Legal Affairs and the host Government to expedite the issuance of permits by local city authorities for the works at the 48th Street entrance. In addition, there were a number of outstanding activities related to final payment reconciliation and closure of contracts with the contract management company, architects, engineers and consultants.

3. The financial position of the project remained consistent with the projection presented in the thirteenth annual progress report (A/70/343). As at 30 June 2016, the final cost to complete the capital master plan had been estimated at $2,150.4 million, equivalent to the approved resource level, which comprised the original budget of $1,876.7 million and donations of $114.3 million, plus $159.4 million from interest income and the working capital reserve fund, and $100.0 million for security upgrades. The costs of all interim arrangements, post-renovation construction and close-out activities were therefore met within the approved resources for the project.

4. **Mr. Mkumba** (Chair of the Audit Operations Committee of the Board of Auditors), introducing the report of the Board of Auditors on the capital master plan for the year ended 31 December 2015 (A/71/5 (Vol. V)), said that the refurbishment of Headquarters was a complex, high-value project to modernize, secure and preserve the architecture of the 1950s campus without compromising day-to-day operations. After nearly 14 years and an investment of $2.3 billion, all major procurement actions and construction works associated with the capital master plan had been completed, and residual works and the administrative close-out of completed contracts were in progress. The Administration must now focus on managing residual risks and maintaining project management disciplines to ensure the completion of the project within the current time frame and budget. In particular, it should maintain control of consultancy and other costs, give priority to efforts to realize the full benefits of Member States' investments and ensure that credible maintenance plans were in place to preserve the full value of the significant investment in the campus.

5. With respect to the project's financial status, the Board considered that sufficient savings could be released from existing contracts during the closure process to enable the project's completion within existing resources, in line with the request contained in General Assembly resolution 70/239. The main risk to the completion of the remaining project activities within budget related to the delayed closure of contracts, which affected the Administration's ability to control consultancy costs. Indeed, as at March 2016, the programme management consultancy contract had been amended 36 times, resulting in the extension of its end date from December 2011 to December 2016 and an increase in the total not-to-exceed value from $15.9 million to $59.0 million. The Administration had moreover breached procurement rules in extending the contract in 2015, a situation that it had since rectified. Given the high dependency on expert consultants, ongoing needs for consultancy support in 2017 were also expected to increase project costs.

6. The main contractor for the project had filed a notice of arbitration against the United Nations seeking indemnification in the event that it was required to settle substantial claims from its subcontractors. While the Administration considered that it had no liability in respect of the contractor's claim and that any action against the Organization would be unsuccessful, it had retained external legal counsel to defend its interests in the related dispute. In the event that the claim was upheld, the final project cost would increase, given the lack of a budgetary provision for such claims.

7. The revised plan to complete the main construction works had proven unrealistic, and the smaller project team and reduced number of expert personnel, compounded by the additional workload that had arisen from the implementation of Umoja, had resulted in weakened project management disciplines and oversight in 2015. In particular, an up-to-date consolidated project plan could not be provided for audit; risk registers had not been updated; and key management reports previously available from the Office of the Capital Master Plan, such as monthly cost reports, were also unavailable. Earlier project management disciplines should therefore be reintroduced.

8. As at March 2016, the General Assembly and Conference Buildings, although fully occupied, had not obtained final certification, ten guaranteed maximum price contracts had remained open and a significant number of subcontracts had still not been finalized and paid in full, tasks that the Office of the Capital Master Plan had expected to be completed by October 2015. The project was now expected to be closed in 2017, with all residual construction works on target to be completed by December 2016. In addition, the Administration had informed the Board that comprehensive proposals to renovate the Dag Hammarskjöld Library and South Annex Buildings, which had been removed from the scope of the capital master plan in 2015, would be prepared only after the General Assembly had taken a decision on the question of long-term accommodation in New York. The cost of the interim solutions established amounted to $13 million and would be met within the existing budget.

9. The transition from the construction phase to management of day-to-day operations had taken place and the campus was operating effectively. Most of the approximately 20,000 service requests submitted annually to the Facilities Management Service help desk were routine, and no major complaints, critical incidents or disruptions to operations had been reported. In 2017, the Administration would commission a specialist firm to review its approach to maintaining the renovated campus, particularly with a view to assessing the relative merits of outsourced and in-house provision of maintenance services to ensure the best use of resources. An agreed long-term maintenance plan for the campus had not yet been established.

10. Although an assessment had not yet been undertaken, the renovated campus had likely achieved its energy efficiency targets. As the energy and water supplies to the North Lawn Building had been terminated in January 2016 and the new environmental reporting system would be online in April 2016, the Administration would be in a position to demonstrate energy efficiency benefits on the basis of 12 months of data from utility bills and from the environmental reporting system as of January and April 2017, respectively. To increase the return on Member States' investment, the Administration planned to optimize the use of office space at the renovated campus by implementing flexible workplace, particularly with a view to enabling the accommodation of an extra 800

staff in the Secretariat Building. Notwithstanding recent increases in the projected costs of implementation, there remained a compelling business case for introducing flexible workplace, with estimates indicating a payback period of around five years.

11. Over the previous three bienniums, the Board had made 42 recommendations aimed at improving the management and governance of the project. Of the 11 outstanding recommendations contained in the Board's previous reports, all of which the Administration had accepted, three had been implemented, four were under implementation, three had not been implemented and one had been closed by the Board and superseded by a new recommendation. Lastly, the Board had included five additional recommendations in its current report (A/71/331) to facilitate the project's completion and demonstrate the return on Member States' investment.

12. **Mr. Baez** (Chief, Policy and Oversight Coordination Service), introducing the Secretary-General's report on the implementation of the recommendations of the Board of Auditors contained in its report on the capital master plan for the year ended 31 December 2015 (A/71/331), said that the report, submitted pursuant to General Assembly resolution 70/239, reflected the work undertaken by the Secretariat to address the General Assembly's requests to indicate priorities, time frames, the office holders responsible for the implementation of the Board's recommendations and the reasons for delays in the implementation of recommendations from prior periods. The Administration had accepted all of the Board's recommendations, and, for each recommendation, the report provided the Administration's comments and information on the status of implementation, the department responsible and the estimated completion date. It also contained information on the implementation status of recommendations from prior periods that had not been fully implemented.

13. While all accepted recommendations would be implemented in a timely manner, the most important or "main" recommendations would be given high priority. Of the five new recommendations issued by the Board as of August 2016, two had been implemented and three were in progress, two of which were scheduled for implementation by the end of 2016 and 2018, respectively, and one of which was of an ongoing nature. Noting with appreciation the constructive spirit in which the Board discharged its oversight function, he was confident that the Secretariat's timely and thorough implementation of its recommendations would improve resource management and efficiency.

14. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/541), noted with satisfaction the completed demolition of the temporary North Lawn Building and trusted that the remaining landscaping works would be completed by year-end.

15. To ensure that the benefits of the project were realized, the General Assembly should request the Secretary-General to closely monitor and optimize energy usage on the renovated campus, and to report in future progress reports on actual efficiency gains realized. It should also request the Secretary-General to provide, in his next progress report, an update on the campus maintenance arrangements in place and all related costs. Noting that no potential increases in project costs or changes in the volume and scope of the related works were anticipated, he recommended that the General Assembly should request the Secretary-General to provide, in his next progress report, full details regarding the closure of existing contracts, including any savings realized. Lastly, the Secretary-General should provide to the General Assembly, at the time of its consideration of the current agenda item, an update on any developments relating to the arbitration proceedings, as well as further details on the planned construction of a sports facility at Headquarters.

16. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group strongly supported the modernization of all United Nations facilities and sought to ensure the improvement of the working conditions and safety of delegates and staff. The Group also welcomed the inclusion of the lessons learned from the capital master plan in annex I of the report of the Board of Auditors (A/71/5 (Vol. V), given their critical importance for ongoing and future capital projects. Moreover, noting that, following the closure of the Office of the Capital Master Plan, responsibility for the remaining activities under the capital master plan had been transferred to the Office of Central Support Services, the Group looked forward to the final completion of those activities by April 2017.

17. The Group noted with satisfaction the demolition of the temporary North Lawn Building, despite the delays in the related works, and trusted that the remaining landscaping on the North Lawn would be completed by 31 December 2016. The Group was nevertheless not fully satisfied with the interim solutions for the relocation of the functions formerly housed at the South Annex Building and the Dag Hammarskjöld Library Building, following the suspension of the renovation of those buildings in the light of security concerns, and would follow up on the matter in informal consultations. The Group would also seek further information on why 42nd Street had been chosen as the main entrance to the Organization, considering that that area had been deemed a high security risk. In particular, many delegates had difficulty gaining access to the 42nd Street parking garage entrance as a result of heavy traffic, narrow entry and unclear road signs for vehicles, and to levels 2B and 3B of the garage, owing to the new changes that had been introduced. In that regard, he emphasized the need to ensure unimpeded entry and exit to and from the campus while guaranteeing the integrity of its original design.

18. The Group was concerned that no proposal relating to the renovation of the Dag Hammarskjöld Library and South Annex Buildings had been submitted to the General Assembly and requested that such a proposal should be presented as soon as possible, in line with the requests contained in Section VIII, paragraph 14 of General Assembly resolution 69/274 A and paragraph 9 of General Assembly resolution 70/239. Noting the Administration's intention to commission a specialist firm to review its maintenance approach, the Group failed to understand why the Secretariat lacked the personnel required to service the newly installed systems and recommended the inclusion of an update on maintenance arrangements and costs in the next progress report of the Secretary-General. Noting also that the anticipated final cost of the project had increased from $1,876.7 million to $2,309.3 million, even as the scope of the construction works had been reduced from five buildings to three, the Group requested that full details regarding the closure of existing contracts, including any savings realized, should be included in the Secretary-General's next progress report, in line with the relevant recommendation of the Board of Auditors. Lastly, in view of the low rate of implementation of the recommendations issued by the Board over the previous three bienniums, the forthcoming reports of the Secretary-General and the Board should include updates on efforts undertaken to ensure the implementation of outstanding recommendations.

19. The proposal for the construction of a recreation facility would require close consideration by the General Assembly. In that regard, the Group would focus on some of the elements highlighted by the Advisory Committee, particularly the need to preserve the architectural integrity and beauty of the complex and gardens at Headquarters and to ensure that the project was in alignment with the Organization's regulations, rules and policies, including its procurement practices. The Group also underscored the need for information on the operating and maintenance costs of the facility, including insurance costs, and on the project's bearing on potential options for addressing long-term accommodation needs.

Agenda item 144: Report on the activities of the Office of Internal Oversight Services (*continued*) (A/C.5/71/L.4)

Agenda item 133: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Draft resolution A/C.5/71/L.4: Report on the activities of the Office of Internal Oversight Services

20. *Draft resolution A/C.5/70/L.4 was adopted.*

The meeting rose at 10.45 a.m.

United Nations A/C.5/71/SR.7

General Assembly
Seventy-first session

Official Records

Distr.: General
4 November 2016

Original: English

Fifth Committee

Summary record of the 7th meeting
Held at Headquarters, New York, on Thursday, 20 October 2016, at 10 a.m.

Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

Request for a subvention to the Extraordinary Chambers in the Courts of Cambodia

Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice. President and judges of the International Residual Mechanism for Criminal Tribunals and judges and ad litem judges of the International Tribunal for the Former Yugoslavia

Other matters

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org).

16-18235 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

Request for a subvention to the Extraordinary Chambers in the Courts of Cambodia (A/71/338 and A/71/550)

1. **Ms. Bartsiotas** (Controller), introducing the Secretary-General's report on the request for a subvention to the Extraordinary Chambers in the Courts of Cambodia (A/71/338), said that the report outlined the substantial progress and results achieved by the Extraordinary Chambers under each of its cases; addressed the continuing financial challenges faced by the Chambers in 2016; and provided revised estimates of resource requirements for the national and international components for the biennium 2016-2017.

2. By its resolution 70/248, the General Assembly had authorized the Secretary-General, as an exceptional measure, to enter into commitments in an amount not to exceed $12.1 million to supplement the voluntary financial resources of the international component of the Extraordinary Chambers for the period from 1 January to 31 December 2016. That amount had been based on the pledging shortfall at that time for the international component. The full amount of $12.1 million had now been drawn upon, together with the voluntary contributions received in 2016. On the basis of the pledges received, it was estimated that the use of the commitment authority would eventually be limited to about $10.9 million by the end of 2016. The commitment authority had been instrumental in enabling the Secretariat to extend contracts for international staff until 31 December 2016 and had functioned as a source of funds if voluntary funding fell short, ensuring that the salaries and expenses of personnel could be met on time and without any disruption to the work of the Chambers. It had also enabled the Secretariat to take management decisions that allowed staff to focus their energies fully on the timely delivery of the programme of work of the Chambers. The Chambers continued to be engaged at full capacity, with trial, appeal and judicial investigation proceedings advancing simultaneously.

3. The Secretariat had worked closely with the principal donors group in New York and the Friends of the Extraordinary Chambers to raise voluntary contributions throughout the year for both the international and national components. A fundraising strategy had been developed to seek support from key Governments for both components. Those efforts had supported the Royal Government of Cambodia, which had secured almost the entire estimated budget in 2016 for the national component. The Secretary-General sought the General Assembly's approval of an appropriation for a subvention for the international component of the Extraordinary Chambers in the amount of $16.2 million for 2017. While aggressive outreach and fundraising efforts would continue, an appropriation would allow the Secretariat to extend staff contracts for the year 2017 in a timely manner.

4. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/550), said that a decision to appropriate almost the full amount of the budget of the international component for 2017 would undermine the voluntary nature of the current funding arrangements and related fundraising. However, given the current funding challenges faced by the Extraordinary Chambers and the need to ensure the expeditious conclusion of the remaining cases, the Advisory Committee considered that the United Nations should provide support at a level consistent with the amount of the actual drawdown of the commitment authorities approved for 2015 and 2016. In that regard, he noted that the final drawdown on the authorized commitment authority for 2015 and 2016 amounted to just under $11 million, owing to the receipt of voluntary contributions. It was therefore recommended that the General Assembly should authorize the Secretary-General to enter into commitments in an amount not to exceed $11 million to supplement the voluntary financial resources of the international component of the Extraordinary Chambers, under the conditions indicated in the report of the Advisory Committee.

5. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the efficient and effective operation of the Extraordinary Chambers in the Courts of Cambodia in discharging their mandate and to consideration of the Secretary-General's related proposal. The report of the Secretary-General (A/71/338) had been submitted pursuant to General

Assembly resolution 70/248 A, whereby the Assembly had requested the Secretary-General to report on the use of the commitment authority in the context of his next report and had encouraged all Member States to provide voluntary support for the international and national components of the Extraordinary Chambers.

6. The Group noted several elements highlighted in the Secretary-General's report (A/71/338), in particular the progress made by the Extraordinary Chambers in their case files, including the projected timelines, completion plan and road map, as well as their financial position, the fundraising undertaken, and the financial resource requirements for 2017. It commended all stakeholders, including the host Government, the Secretary-General and Member States, that had facilitated the progress achieved, particularly by ensuring adequate provision of extrabudgetary resources. In that regard, the Group hoped that the proposed subvention for 2017 would be considered favourably by the General Assembly. The Group would also comment specifically on the observations and recommendations of the Advisory Committee in informal consultations. Lastly, it supported the appeal by the Government of Cambodia to the United Nations, including the Principal Donors Group and the Group of Interested States, to mobilize the funds required to cover the shortfall of $620,000 in the payment of the salaries of national personnel for the final months of 2016.

7. **Ms. Uemura** (Japan) said that her Government had contributed significantly to the work of the Extraordinary Chambers, which was now in its final stages, with the aim of supporting the peace process in Cambodia. She particularly welcomed the progress achieved in the judicial proceedings relating to cases 002, 003 and 004, which showed that progress was being made in serving justice in Cambodia. It was nevertheless a matter of concern that, under the revised completion plan, judicial activity was foreseen for several years beyond the current financial period. She therefore urged the Secretary-General to implement all measures necessary to expedite case completion, including by ensuring that the plan reflected firmer completion milestones, while guaranteeing compliance with the requirements of the judicial process.

8. The Chambers faced serious financial difficulties that must be addressed so that they could continue their judicial activities. Her delegation was concerned at the increasing reliance on subventions from the regular budget of the United Nations, which could undermine the voluntary nature of the current funding arrangements and related fundraising. Lastly, she encouraged all Member States to provide voluntary contributions and requested the Secretariat to continue its efforts to obtain further contributions, in line with paragraph 3 of General Assembly resolution 57/228 B.

9. **Mr. Tuy** (Cambodia) said that his Government was grateful for the Secretary-General's request for a subvention for the international component of the Extraordinary Chambers and for the generous support for its activities offered by the European Union, the Principal Donors Group and the Group of Interested States. The reports of the Secretary-General (A/71/338) and the Advisory Committee (A/71/550) would be taken into consideration in the drafting of the resolution relating to the requested subvention.

10. Although the receipt of sufficient funds had placed the Extraordinary Chambers on secure financial footing at the beginning of 2016, a request for a subvention would, once again, be necessary as the final quarter of the year approached. Firmly committed to timely mandate delivery, the Chambers had reached peak workload, with proceedings advancing at the pre-trial, trial and appeal stages. The Supreme Court Chamber would pronounce its judgment on the appeal in case 002/01 against Nuon Chea and Khieu Samphan in late November 2016.

11. He trusted that the Principal Donors Group would do its part to cover the financial deficit in the payment of national staff salaries for November and December 2016. In line with its commitment to increase its contributions to the Chambers each year, his Government had contributed $4.15 million in 2016, equivalent to 62 per cent of the approved budget for the national component, of which $1.6 million was earmarked for operational costs and $2.5 million was designated for the payment of national staff salaries for six months. The projected expenditure for the national component for 2016 amounted to $6.6 million.

12. In view of his Government's responsibility to ensure the fulfilment of the financial requirements for the national component for 2017, which had been estimated at $6.37 million, taking into account anticipated pledges, he appealed to Member States, the

Principal Donors Group and the Group of Interested States to support the Secretary-General's request for a subvention, bearing in mind that any delay on their part in honouring their commitments would impede the work of the Chambers. His Government had submitted the Secretary-General's request to the Prime Minister of Cambodia with its endorsement. Lastly, his Government would continue to cooperate with all stakeholders to guarantee justice for the many Cambodians who had suffered the tragic loss of their loved ones.

Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, President and judges of the International Residual Mechanism for Criminal Tribunals and judges and ad litem judges of the International Tribunal for the Former Yugoslavia

13. **Mr. Kisob** (Office of Human Resources Management), introducing the report of the Secretary-General on the conditions of service and compensation for members of the International Court of Justice, President and judges of the International Residual Mechanism for Criminal Tribunals and judges and ad litem judges of the International Tribunal for the Former Yugoslavia (A/71/201), recalled that the General Assembly, by its resolution 65/258, had decided to re-establish a three-year cycle for the review of the conditions of service and compensation for the members of the International Court of Justice and the judges and ad litem judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda, of which the most recent had been conducted in 2013 and was presented in the relevant report of the Secretary-General (A/68/188). He further noted that the Secretary-General's 2016 report (A/71/201) did not refer to the judges and ad litem judges of the International Criminal Tribunal for Rwanda, as the Tribunal had closed on 31 December 2015.

14. The report provided background information on the remuneration scheme of the judges and an overview of the other conditions of service, including allowances and benefits. It also contained recommendations by the Secretary-General, as well as indications of the financial implications related to their implementation. On the basis of the outcome of the periodic review conducted with a view to the preparation of the report, the Secretary-General proposed that no changes should be effected in the current remuneration system and other conditions of service of the members of the Court and judges of the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

15. The report contained a number of comments and recommendations relating to the changes to the conditions of service of United Nations personnel approved by the General Assembly in its resolution 70/244. In that regard, the adoption of the unified base/floor salary scale structure for staff in the Professional and higher categories would not have an impact on the salaries of the members of the Court, the judges of the Tribunal, and the President and judges of the Mechanism. The correlation between the two salary structures was based solely on a movement, rather than a scheme, that was effected through the consolidation of post adjustment multiplier points into the base scale, with a corresponding readjustment in the post adjustment multipliers. In addition, the Secretary-General proposed that the revised education grant scheme for staff members in the Professional and higher categories, to be introduced as of the school year in progress on 1 January 2018, should be extended to the members of the Court, the judges of the Tribunal, and the President of the Mechanism. Lastly, in line with the new relocation package for staff in the Professional and higher categories, the Secretary-General proposed that, in the travel and subsistence regulations applicable to the members of the Court, the judges of the Tribunal, and the President of the Mechanism, references to the "assignment grant" should be revised to make reference to the "settling-in grant" and "full removal" should now be defined in accordance with the conditions stipulated in General Assembly resolution 70/244.

16. By its decisions 66/556 B, 68/549 A and 69/553 A, the Assembly had deferred, ultimately to its seventy-first session, its consideration of the report of the Secretary-General on the comprehensive review of the pension schemes for the members of the Court and the judges of the two Tribunals (A/66/617); the related report of the Advisory Committee on Administrative and Budgetary Questions (A/66/709) and the letter from the President of the Court to the President of the

General Assembly (A/66/726). Those documents were therefore resubmitted for the Assembly's consideration at its current session. Lastly, should the General Assembly approve the recommendations contained in paragraphs 44 to 52 of the Secretary-General's report (A/71/201), no budgetary implications would arise under the programme budget for the biennium 2016-2017.

17. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/552), said that the Advisory Committee had no objection to the Secretary-General's proposals; it had been informed that the proposals relating to the revised education grant scheme and new relocation package would result in a reduction in costs attributable to the judges of ICJ, the Residual Mechanism and the International Tribunal for the Former Yugoslavia.

18. **Mr. Chamlongrasdr** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group valued the work of the International Court of Justice, International Residual Mechanism for Criminal Tribunals and the International Tribunal for the Former Yugoslavia. It therefore supported strengthening the conditions of service for the officials of those entities and welcomed proposals aimed at improving their welfare.

19. The Group would seek further information on the issue of retirement benefits, particularly the recommendations relating to pension schemes and the related observations and concerns of the Court. Noting that the Secretary-General's proposals entailed no budgetary implications for 2016-2017, the Group would also seek additional information on the reduction in the cost of the education grant scheme and relocation package of the judges that was expected to arise from the implementation of the related proposals and looked forward to further details in that regard in the context of the second performance report for 2016-2017. Lastly, the Group supported the key principles, enshrined in the statutes of the Court and the Tribunals, that the judges' salaries and allowances should be fixed by the General Assembly and may not decrease during their term of office, and was of the view that equality among judges was a basic principle of the system of international adjudication of disputes between States.

Other matters

20. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, drew the Committee's attention to a broadcast e-mail announcement, circulated on 30 August 2016, which reported a number of service changes to the catering facilities at Headquarters. While such communications typically indicated modifications to the business hours and availability of facilities during the high-level week of the General Assembly, the scope of the changes mentioned in the relevant announcement extended beyond September 2016 to cover a 5 per cent increase in cafeteria prices, effective 1 September 2016, and a number of major changes relating to the Delegates' Dining Room. Specifically, the lunch service, consisting of a prix fixe menu, would now be offered in the West Terrace on the 4th floor of the Conference Building. In addition, the Dining Room's previous location would be refurbished and used as an event space, a decision that the Group interpreted as profit-driven, in view of the Organization's established business relationship with a particular catering company. The Dining Room had previously been the only place on campus where diplomats, delegates and staff could enjoy a business lunch in a dignified setting. Guests were now reduced to dining in a much smaller venue with limited capacity, a reservation-only policy and prices that discriminated against external visitors. She therefore asked the Chair to use her good offices to provide Member States with an informal opportunity to seek clarification on those matters from the relevant Secretariat departments.

The meeting rose at 10.50 a.m.

United Nations A/C.5/71/SR.8

General Assembly
Seventy-first session

Official Records

Distr.: General
5 December 2016

Original: English

Fifth Committee

Summary record of the 8th meeting
Held at Headquarters, New York, on Thursday, 27 October 2016, at 10 a.m.

Chair: Ms. King ..... (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 141: United Nations common system

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org).

16-18683 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 141: United Nations common system
(A/71/30 and A/71/564; A/C.5/71/3)

1. **Mr. Rhodes** (Chair of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for the year 2016 (A/71/30), said that the Commission had welcomed the General Assembly's approval of the majority of its recommendations following the first phase of the review of the common system compensation package, which had focused on staff in the Professional and higher categories. The Assembly, in its resolution 70/244, had invited the Commission to present, at the current session, a progress report on the implementation of the new package. The relevant information, provided through the CEB Human Resources Network, was set out in annex III to the report. The Commission, while expressing concern regarding the delay in implementation by some organizations, had taken note of the information. Work had now begun on the next phase of the review, dealing with the use of categories of staff in the common system. That was a complex matter requiring careful study, as the decisions taken might have a profound impact on the way in which the international civil service was structured in the future.

2. In its resolution 70/244, the General Assembly had approved the Commission's recommendation to introduce a unified base/floor salary scale for staff in the Professional category, which would become effective on 1 January 2017 and under which the family status of staff members was disregarded and the number of steps in each grade was aligned. Furthermore, the revised scale set out in annex V to the report reflected the Assembly's decision that the scale would be adjusted to reflect the movement of comparator salaries between the time of approval of the scale and its implementation date. In line with the usual practice, the recommended 1.02 per cent increase in the salary scale was proposed on a no gain/no loss basis, with a commensurate reduction in post adjustment.

3. The Commission had continued, under a standing mandate from the General Assembly, to monitor the net remuneration margin, which was the relationship between the net remuneration of United Nations staff in the Professional category in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C. As requested by the Assembly the previous year, the Commission had continued action to bring the calendar year margin to around the desirable midpoint of 115. Over the past year, the margin had continued its downward trend, moving from 117.2 in 2015 to 114.1 in 2016. The latter figure was based on the latest personnel statistics from the United Nations System Chief Executives Board for Coordination (CEB).

4. The new round of cost-of-living surveys at headquarters duty stations and Washington, D.C., was currently under way and would provide the basis for cost-of-living comparisons and expenditure weights for the next five years or so. In that regard, the Commission's secretariat was implementing, in collaboration with administrations and staff associations based at the relevant duty stations, a number of enhancements to the post adjustment methodology and operational rules, as recommended by the Advisory Committee on Post Adjustment Questions and approved by the Commission, including a revised list of items and specifications; the use of external data collected under the European Comparison Programme for all covered group I duty stations; a redesigned web-based staff expenditures survey and other data collection forms; and revised procedures and guidelines for data collection. Further information could be found in the report. The Commission would report on the results of the surveys in 2017.

5. In 2009, the Commission had recommended that end-of-service severance pay should be introduced for fixed-term staff separating from the Organization upon the expiration of their contract after 10 or more years of continuous service, on the grounds, inter alia, that such a benefit would allow organizations more flexibility in establishing an appropriate mix of continuing and fixed-term contracts. The General Assembly had decided, in its resolution 65/248, to revert to that recommendation at the current session. The Commission was resubmitting the recommendation in the light of the evolution of the contractual framework and recent separation trends in common system organizations, and also its view that recent developments in field and peacekeeping activities supported the need for organizations to have a mechanism to reward long-serving and productive staff

who left owing to the closing or downsizing of missions.

6. In response to a request made by the General Assembly in its resolution 70/244, the Commission had reviewed the progress made by organizations of the common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance. On the basis of its findings, it urged organizations to continue implementing those policies and measures. In 2017, the Commission would holistically review all issues relating to inclusiveness and diversity and report to the General Assembly accordingly.

7. In accordance with established practice, the Commission's report included not only its recommendations to the General Assembly but also its recommendations to the executive heads of all common system organizations, which covered the salaries and dependency allowances of locally recruited staff. On the basis of its salary surveys for staff in the General Service and Language Teacher categories in Geneva, the Commission recommended that the Geneva-based organizations should implement new salary scales that were 1.8 per cent lower than the existing scales. The General Assembly, in its resolution 68/253, had requested that the Commission should not increase the allowances under its purview until it had conducted the comprehensive review of the compensation package for staff in the Professional and higher categories. Following the Assembly's decision to lift the freeze on the increases of allowances for the General Service and related categories as from 1 January 2016, the Commission had requested its secretariat to conduct an ad hoc one-time review of the levels of the dependency allowances in Madrid, London, New York and Geneva, which otherwise would not have been reviewed until the next round of surveys in 8 to 10 years' time. On the basis of that review, the Commission recommended revised levels of dependency allowances for those locations with effect from the next interim adjustment to the salary scales. In the case of London, retroactive implementation from May 2016, the date of the first interim adjustment after the date of the lifting of the freeze by the General Assembly, was recommended. The Commission would continue to review the level of allowances in accordance with the schedule outlined in annex IV to the report.

8. The Commission had reviewed the human resources management framework that had been in place since 2000 in order to determine whether it remained relevant and up to date and had approved a revised framework that provided the conceptual basis for linking human resources management functions and organizational results. It was strategic, staff-centred and results-based and highlighted the role of human resources management in helping organizations to meet their goals. Outcomes and indicators had been added with a view to promoting the active participation of the human resources management function in policy, planning and strategic change management decisions in organizational contexts where results orientation was important. The framework was designed as a "living" document that could be updated as necessary and that would allow organizations to create linkages with their own relevant human resources policies.

9. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2016 (A/C.5/71/3), said that four decisions and recommendations set out in the Commission's report would give rise to programme budget implications: the introduction of separation payments for fixed-term staff with 10 or more years of continuous service; the introduction of the revised unified base/floor salary scale for the Professional and higher categories; the adjustment of the salary scales for the General Service and Language Teacher categories in Geneva; and the adjustment of dependency allowances for the General Service and related categories. The financial implications for the programme budget for the biennium 2016-2017 and for the proposed programme budget for the biennium 2018-2019 of those decisions and recommendations were estimated at $3.3 million and $5.3 million respectively.

10. The Commission also recommended a reduction in salary scales for staff in the General Service and Language Teacher categories in Geneva recruited on or after 1 June 2016, while the salary scales would be frozen for existing staff in accordance with standard practice. The programme budget for 2016-2017 would therefore be reduced in line with the related inflation

projections, after taking into account the recently completed consumer price index review. The amount of the reduction would be available in the coming weeks. Those and other budget implications for the biennium 2016-2017 would be addressed, as necessary, in the context of the first and second performance reports. Budget implications for the biennium 2018-2019 would be taken into account in the context of the proposed programme budget for that biennium.

11. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/71/564), noted that the Secretary-General's statement indicated that, pending finalization of the possible interim adjustment to the salary scales of General Service and other locally recruited categories in Geneva due in September 2016, the financial implications of the freeze of the salary scales for existing staff could not be determined. The Advisory Committee had expressed its expectation that information on the projected savings in 2016 resulting from the implementation of the recommended salary scale for those categories would be provided in the first performance report for the biennium 2016-2017. The Advisory Committee would therefore revert to the matter in the context of its consideration of that report. It recommended that the General Assembly should take note of paragraph 17 of the Secretary-General's statement.

12. **The Chair**, in accordance with General Assembly resolution 35/213, invited a representative of the Federation of International Civil Servants' Associations (FICSA) to make a statement. She also invited a representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) to make a statement.

13. **Mr. El-Tabari** (Federation of International Civil Servants' Associations) said that FICSA had participated in the first phase of the review of the common system compensation package and in general was satisfied with the outcome. It would also participate in the second phase of the review. One issue of concern to staff, however, was the intention to increase the use of National Professional Officers for regional or international functions; care should be taken in that regard to respect the requirements of the Charter of the United Nations. FICSA supported the introduction of end-of-service severance pay and hoped that the Committee, too, would support it.

14. FICSA was concerned about the lack of effective whistle-blower protection at some organizations, in particular the World Intellectual Property Organization (WIPO), and he encouraged Committee members to consult his full written statement for further details in that regard. On pension matters, FICSA and CCISUA had been denied an opportunity at the recent session of the United Nations Joint Staff Pension Board to deliver a joint statement setting out their concerns about the United Nations Joint Staff Pension Fund; their request to have the statement attached to the report as an annex had also been refused. Such censorship of staff views was a matter of serious concern. The joint statement was therefore included as an annex to his current statement for the Committee's information.

15. FICSA was pleased to note that most organizations of the common system had undertaken to raise the mandatory age of separation for staff recruited before 1 January 2014 to 65 years by 1 January 2018, in line with General Assembly resolution 70/244, but was concerned that the Food and Agriculture Organization of the United Nations (FAO), the International Civil Aviation Organization (ICAO) and WIPO had not committed themselves to meeting that deadline. Lastly, the implementation of Umoja and the introduction of the global service centres had taken too long and had been costly for the Organization rather than saving it money. FICSA was in favour of an independent assessment of those two projects.

16. **Mr. Richards** (Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that CCISUA supported the proposal to introduce separation payments for staff whose fixed-term appointments were not renewed after 10 years of continuous service, since such staff currently received nothing, in contrast to those whose continuing appointments were terminated or whose fixed-term appointments were cut short. Moreover, the comparator service provided unemployment benefit regardless of the manner in which a contract lapsed, while the European Commission provided indemnities in the event of non-renewal after six months of service, the World Bank after five years of service and the Organization

for Economic Cooperation and Development (OECD) after six years of service. Even though the 10-year term proposed by the International Civil Service Commission was rather long, it was a good start. In the four years since the issue had last been considered, the proportion of staff on fixed-term appointments with 10 or more years of continuous service had halved, owing to an increase in time-defined field activities and better workforce planning. As a result, only 0.2 per cent of staff in the common system would be eligible for the benefit, which thus had minor financial implications.

17. With regard to the review of the common system compensation package, CCISUA was concerned that some of the changes approved, when cumulated, would have a significant negative impact on staff in certain situations and at certain duty stations, not least those with families in New York. CCISUA would be monitoring the impact closely and, together with FICSA, had commissioned a legal review.

18. CCISUA urged the Commission to include the Security category in its review of locally recruited staff. Members of the Security and Safety Service were specifically recruited from the experienced ranks of local law enforcement personnel and their pay should therefore be pegged to the pay of such personnel rather than to that of local office workers, as was currently the case. The Commission should also resume its salary survey for that category of staff. Furthermore, in the light of the deteriorating security context, CCISUA asked the General Assembly to reiterate the request it had made in its resolution 59/276 that the Secretary-General should elaborate further on his proposals concerning the professionalization of security personnel. Those proposals included subjecting contract renewal and promotion to the successful completion of psychological and physical tests; a lower age of retirement for lower-ranking officers; and a revised pension scheme to compensate for a lower retirement age.

19. Staff unions remained extremely concerned about developments within the Pension Fund. According to the Board of Auditors, 85 per cent of death-in-service cases and 91 per cent of retirement and withdrawal cases were processed with delays ranging from 16 days to more than one year. That was unacceptable. Furthermore, a draft report of the Office of Internal Oversight Services (OIOS) confirmed suspicions that the Fund had continuously failed to communicate reliable data to staff and retirees about late payments, no doubt in an effort to cover up the true extent of the problem. CCISUA questioned the Pension Board's conclusion that the performance of the Chief Executive Officer of the Fund had been satisfactory and hoped that the Assembly would recommend a search for a new candidate when the incumbent's contract expired in 2017. It also urged the Assembly to control the Fund's budget and reject the proposed establishment of new management and communication posts. The new financial rules adopted by the Board were a cause of concern, since they had the effect of taking the Fund one step further out of the United Nations and increasing risk. The Representative of the Secretary-General for the investment of the assets of the Fund had urged further study of the rules before a decision was made, but the Board had declined her request. CCISUA was also concerned that 15 per cent of the Fund's investments were currently outsourced; internal management of investments should be increased. Lastly, an urgent review of the Fund's governance was necessary. The Pension Board had 33 members who met once a year, whereas most boards of pension funds had only one third of that number of members and met once a month. Furthermore, despite accounting for 70 per cent of the Fund's beneficiaries, the United Nations held only a third of the seats on the Board.

20. **Ms. Supanya** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group wished to reaffirm the principle that all staff serving under similar conditions should receive fair and equal treatment across the United Nations common system. The Group took note of the report of ICSC for the year 2016, in particular the decisions and recommendations having financial implications. It also noted with interest that the Commission had recommended the introduction of end-of-service severance pay in the organizations of the common system for fixed-term staff involuntarily separating from the Organization upon the expiration of their contract after 10 or more years of continuous service and would seek further clarification with regard to the duration of service proposed, the objective of the recommendation, the financial implications and the possible date of its implementation, taking into account the closure of some peacekeeping operations whose personnel were mostly on fixed-term contracts. The Group would also

be interested to learn more details concerning the estimated financial implications for the biennium 2016-2017 of the implementation of the outcome of the 2015 survey of the best prevailing conditions of employment in Geneva. Once the General Assembly had taken a decision on the Commission's recommendations, adequate resources should be appropriated for the full and immediate implementation of those recommendations.

21. **Mr. Fukuda** (Japan) said that his delegation supported the goal of the common system: to ensure the efficiency and effectiveness of the conditions of service of staff in all participating organizations. The system should be transparent, fair, simple and sustainable to ensure optimal motivation and confidence on the part of staff, the Organization's greatest asset.

22. His delegation was pleased to note that ICSC had begun its comprehensive review of the compensation package of the National Professional Officer and General Service and related categories and agreed with the Commission's observation that it was necessary to review the apparent overlap of functions between categories and to conduct further analysis on the current practice of nationalizing staff functions. The Commission should complete those reviews in a timely manner.

23. Consistent with the contractual framework adopted by the Commission in 2005 (A/60/30, annex IV), simplified and streamlined contractual arrangements that would better serve operational requirements and ensure transparency, fairness and consistency in the treatment of staff had been introduced. Since they had taken effect on 1 July 2009, the percentage of fixed-term appointments had dramatically increased. His delegation requested the Commission to analyse the impact of that contractual reform.

24. While respecting the Commission's decision to recommend the introduction of end-of-service severance pay, his delegation wished to point out that, according to the administrative instruction on the administration of temporary appointments (ST/AI/2010/4/Rev.1), former staff members were ineligible for re-employment on the basis of a temporary appointment for a period of 31 days following separation. Such staff members would therefore have no choice but to accept a separation payment since they were not allowed to be appointed to a temporary position even if they were eager to continue to serve at the United Nations. While the reasoning behind that limitation was understandable, the Commission and member organizations should harmonize unemployment benefit policy with re-employment policy.

25. Lastly, he expressed support for ICSC and trusted that it would continue to guide common system organizations toward more coherent and effective management.

26. **Mr. Upadhyay** (United States of America) said that capable and high-performing staff were essential in order for the Organization to fulfil its many complex and challenging mandates. Therefore one of the Committee's most important responsibilities was to establish and maintain conditions of service that could attract, retain and incentivize the best and the brightest. At the same time, with personnel costs exceeding three quarters of the budget of most organizations in the United Nations system and increasingly, over the past decade, crowding out resources for important programmatic work, it was essential to ensure that conditions of service were sustainable in an era of fiscal constraint. ICSC continued to help balance those imperatives. General Assembly resolution 70/244 was a testament to the thorough and thoughtful nature of the Commission's comprehensive review of conditions of service for staff in the Professional and higher categories and to the Committee's ability and willingness to engage with the staff and organizations of the United Nations system and, to the extent possible, take into account their views.

27. There was significant scope, during the next phase of the Commission's work, to review the General Service, Field Service and National Professional Officer categories, in particular with a view to rationalizing the use of internationally and locally recruited staff so that the common system organizations could deliver mandates more efficiently and effectively. His delegation looked forward to receiving in due course the Commission's recommendations in that regard. It also looked forward to discussing the other important issues referred to in the Commission's report, including the revised human resources framework, separation payments, efforts to improve gender balance and the review of the implementation of the framework for contractual arrangements.

28. **Ms. Maciel González** (Paraguay), thanking the Cost-of-living Division of ICSC for its support in providing data to her Government for its calculation of the post adjustment indexes for its Foreign Service, said that sufficient and appropriate resources should be allocated for the immediate and efficient implementation of the Commission's recommendations upon approval by the General Assembly. Her delegation recognized the essential role played by ICSC in harmonizing conditions of service across the United Nations common system through recommendations that would promote fair and equal treatment and also the equal participation of men and women in the Organization's work.

The meeting rose at 10.50 a.m.